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DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE FIRST PART OF ITS THIRTY-NINTH SESSION

Held at the Palais des Nations, Geneva,
from 28 September to 14 October 1992

Rapporteur: Mr. Banmali Prasad Lacoul (Nepal)

Addendum

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Chapter IV

SUSTAINABLE DEVELOPMENT INCLUDING UNCTAD'S CONTRIBUTION TO THE IMPLEMENTATION OF UNCED'S CONCLUSIONS AND RECOMMENDATIONS

(Agenda item 5)

1. For its consideration of this item, the Board had before it the following report by the UNCTAD secretariat:

"Sustainable development: a consideration of sectoral links" (TD/B/39(1)/7).

2. The Deputy Secretary-General of UNCTAD made a statement introducing this item.

3. The representative of the Republic of Korea stressed that to implement successfully the agreements reached at UNCED, UNCTAD should work to ensure that: regional and multilateral agreements on the environment should not result in unjustified restrictions on international trade; that the different demands from developed and developing countries be harmonized so as to attain a genuine global partnership in dealing with environmental issues; and that a market-based system for the transfer of technology, which was essential for developing countries to pursue their sustainable development, remain a top priority in UNCTAD's follow-up actions. The transfer of technology was to be facilitated without impairing the protection of intellectual property rights, possibly through the purchase of privately-owned technology by international organizations, which would subsequently be made available to developing countries on non-commercial terms. Environmental protection had now become an important national objective for his country; this had led to the adoption of a National Charter for the Environment. Finally, he quoted some salient paragraphs from the speech of the President of the Republic of Korea to the General Assembly at its forty-seventh session.

4. The spokesman for the Asian Group (Indonesia) said that environmental protection and sustainable development were matters of common concern to mankind requiring close cooperation and effective action by the international community. In addressing the issue of sustainable development, UNCTAD VIII had stressed in the Cartagena Commitment that all countries had a common but differentiated responsibility towards environmental problems, which could not be viewed in isolation, but should be addressed in the context of development by integrating environmental concerns with the imperative of economic growth

and development. The Cartagena Commitment further stressed that international cooperation was therefore indispensable not only for the adoption of a concerted global strategy on the environment, but also to assist developing countries in implementing plans aimed at achieving sustainable development while at the same time fostering efforts to substantially alleviate poverty.

5. The United Nations Conference on Environment and Development had indeed established the imperative need for addressing the twin issues of environment and development in their totality. He welcomed the consensus achieved at UNCED to address global environmental problems within the framework of a strengthened global partnership for development, and stressed that UNCTAD should play an important role in the implementation of Agenda 21, taking into account the importance of the relationship between development and environment, in accordance with its mandate in the area of sustainable development.

6. In translating this concept into action programmes which fell within the purview of UNCTAD, the Asian Group emphasized the sovereign right of States and peoples to development, as one of the basic principles enshrined in the Rio Declaration; any international cooperation in the field of environmental protection should be based on the principle of the sovereign rights of States over their natural resources. There was a need to strengthen the complementary links between favourable international economic conditions, national economic growth and the sound management of the environment. Environmental considerations should not serve as an excuse for interfering in the internal affairs of any country, nor should they be used to impose conditions upon development assistance or to introduce trade barriers against exports from developing countries.

7. He considered that environmental problems associated with the developed countries were a consequence of unsustainable patterns of production and consumption and wasteful lifestyles, whereas those of developing countries were in general the result of extreme poverty and underdevelopment. Efforts to promote sustainable development should therefore be focused on forms of multilateral cooperation which mutually reinforced the protection of the environment, economic growth and development.

8. In the light of these considerations his Group supported the idea of addressing sustainable development in a sessional committee of the Board, with the possibility of eventually transmitting this issue to an ad hoc working group or standing committee, depending upon the dynamism and progress achieved in the sessional committee.

9. The representative of Japan pointed to the widely recognized importance of achieving environmental protection and sustainable development; environment and development were not only compatible, but mutually reinforcing in the long run. Recalling the serious environmental problems which his country had experienced in the past, he said that vigorously strengthened environmental regulations since the early 1970s had transformed Japan into an energy-efficient society with an improved environment.

10. Japan was determined to play a leading role in the international efforts on sustainable development and the results of technological breakthroughs in this field would be shared with the rest of the world. Japan would support the efforts of other countries, especially developing countries, in the area of financial support, technology transfer and human resources development. In particular, Japan's ODA was steadily expanding, with its net disbursement during the five-year period 1988-1992 exceeding US$50 billion; in the area of environment, the expansion of its bilateral and multilateral ODA would amount to around 900 billion to 1 trillion yen (approximately US$8 billion) during the coming five years.

11. During the follow-up of UNCED at the forty-seventh session of the General Assembly, the context of the revitalization and restructuring of the United Nations system should be kept in mind, and duplication among the many relevant institutions should be avoided. UNCTAD had a key role to play in the implementation of Agenda 21, together with UNEP and UNDP. In order to address the complex interrelationship of widespread poverty, population pressures and environmentally damaging use of natural resources and to make the best use of UNCTAD's expertise and limited resources, it was necessary to focus on several specific areas such as environment and commodities, the transfer of environmentally-sound technology, and environment in the context of the prevention, alleviation and reduction of poverty, where UNCTAD had broad and in-depth expertise.

12. Finally, he expressed the view that a sessional committee of the Board should focus on the broad policy direction when dealing with sustainable development, while technical work should be dealt with by a standing committee.

13. The representative of Sweden, speaking on behalf of the Nordic countries Denmark, Finland, Norway and Sweden, hailed the successful conclusion of UNCED as a new starting point for the future development of the whole planet, whereby development and protection of the environment would go hand-in-hand. At UNCTAD VIII sustainable development had been further integrated into the agenda and work of UNCTAD, and in adopting the terms of reference of the new Standing Committees and Working Groups the Board had emphasized the concept of sustainability. Sustainable development embraced a wide range of interconnected and mutually-supportive elements such as good governance, respect for human rights, population policies, poverty alleviation and the active participation of various social groups.

14. All countries must allocate the resources needed to implement the policy measures necessary to achieve sustainable development, but external funding must also be available to support the developing countries' own efforts. The Nordic countries had already stated their commitment to provide their fair share of the resources necessary and had repeatedly called upon the other developed countries to reach the agreed United Nations target of 0.7 per cent of GDP for ODA within a fixed time limit. The high economic importance and complexity of the relationship between environment and trade required broad international cooperation. Taking into account the work done by other relevant bodies, it was felt that UNCTAD could have an essential role within the United Nations in this respect and that it could be a forum for discussion where new ideas could be addressed in a non-contractual atmosphere. UNCTAD must concentrate its efforts on areas where it had comparative advantages in conformity with its mandate, and duplication of the work of other United Nations bodies should be avoided. The Nordic countries looked forward to the establishment of the Commission for Sustainable Development as envisaged in Agenda 21. Pending decisions on the Commission's specific organizational modalities by the General Assembly, the Nordic countries did not wish to pre-empt these decisions nor the priorities of the Commission on Sustainable Development and its secretariat, which would have to be taken into account in the ongoing restructuring of UNCTAD.

15. UNCTAD's future activities should rest on three main pillars, namely objective and penetrating analysis, normative activities in the form of a genuine and open dialogue, and technical assistance and policy advice. Considerable weight should be placed on the analytical function.

16. In the follow-up of UNCED, UNCTAD had a large number of future responsibilities that went beyond the key area of trade and environment. Such were the possible inclusion of environmental considerations in commodity arrangements, and future commodity-related work with particular regard to development and sustainability; promoting the generation and dissemination of environmentally-sound technologies; national policy analysis and exchange of views on national experiences with regard to poverty alleviation, in particular the relationship between development, poverty and the environment; and assistance to developing countries in their participation in, and implementation of, international environmental agreements.

17. The Nordic countries believed that, as a matter of course, the promotion of sustainable development should be an integral part of all work performed by UNCTAD, whenever relevant. Within the present budgetary limits, the secretariat could establish a special team of environmental economists and other specialists to assist all Standing Committees and Ad Hoc Working Groups, and to support also subprogrammes of the programmes on trade and development, trade expansion, export promotion and services sector development and the programme on least developed, landlocked and island developing countries.